

WASHINGTON, DC - Two days before the U.S. House is scheduled to vote on the American Recovery and Reinvestment Act, Congressman Steny H. Hoyer (D-MD) highlighted details of the estimated impact of the legislation on the State of Maryland. [Summary of bill is here](#)

. Estimates below are based off of the current version of the House bill. Although expected to be largely similar, the Senate is marking up its version of the bill this week.

"Marylanders have seen the impact of this economic downturn in lost jobs, lost wealth and the creation of a deep hole in the state budget," **said Hoyer**. "On a day when the private sector announced tens of thousands of layoffs, we are reminded of the urgency for action needed to put people back to work in our state and in our country and to lift our economy out of this recession. But we also need to do it right. This bill does that by striking the right balance of spending and tax cuts to save or create millions of jobs and to get our economy moving again."

The unemployment rate in Maryland climbed to 5.1 percent in December 2008. While lower than the national rate of 7.2 percent, it is the highest it has been in at least five years. The economic downturn, resulting in falling state revenues and increased demand on services such as Medicaid and unemployment benefits, has also taken a toll on Maryland's fiscal health, creating a \$1.9 billion state deficit and drawing a warning from Governor O'Malley that state layoffs are in the offing.

"In Maryland we can expect to see the impact of this legislation in tax relief for workers and families, the creation of jobs and investment in key priorities, such as transportation and clean water infrastructure, new energy technologies being developed in our state, and funding for education and school construction," **said Hoyer**. "In addition, it is targeted to protect vital services aimed at helping workers hurt by the economy, including unemployment benefits, workforce development programs, food stamps and health care."

Estimates of Maryland Specific Impact of American Recovery and Reinvestment Act:

Create or Save Close to 100,000 Maryland Jobs

Estimates by economists, the Obama Administration and Congressional Committees place job creation resulting from the Recovery and Reinvestment Act between three and four million, including 99,200 in the State of Maryland, reducing the unemployment rate by 2 percent.

Tax Cuts for Two Million Maryland Families

The "Make Work Pay" Tax Credit would provide relief to single workers earning up to \$100,000 and married couples earning up to \$200,000. Under the bill, approximately **two million Maryland tax filers will receive a tax cut**

, according to analysis by the Center on Budget and Policy Priorities

The centerpiece of the tax relief is a new Making Work Pay Credit of up to \$500 per individual and \$1000 per couple based on earnings from work. Some families helped by the Making Work Pay Credit - those with children and low or moderate incomes -- would receive additional help under the House plan through expansions in the Earned Income Tax Credit and Child Tax Credit. Approximately 186,000 children in Maryland will benefit from increased refundability of the child tax credit.

Investing in Education to Increase America's Competitiveness

To enable more children to learn in 21st century classrooms, labs, and libraries to help our kids compete with any worker in the world, this package provides funding for local school districts to modernize and repair schools, help states prevent cutbacks in school services, and invest in higher education. [Estimates for Maryland school districts can be found here](#) .

More than \$782 Million in Infrastructure Investment

An estimate for infrastructure funding for the state of Maryland is totaled at \$782,049,143. Of that, \$478,655,397 is for highways and bridges, \$115,621,981 for transit capital, \$47,377,093 for fixed guideway modernization and \$140,394,672 for the Clean Water State Revolving Fund.

Helping Maryland Families Harmed by the Recession

- **Unemployment:** The National Employment Law Center estimates that 241,873 unemployed workers in Maryland will benefit from the additional \$25 a week in insurance benefits in 2009 and that 40,233 workers will exhaust their regular UI benefits between April and December of 2009 and therefore benefit from the extension of the Extended Unemployment Compensation program.
- **Food Stamps:** 403,000 participants will receive a total of \$219 million in additional benefits over FY09-13. The state will receive \$3.7 million in administrative funding over those years to cover additional costs.
- **COBRA:** Independent health care benefits, known as COBRA, will also be temporarily changed to allow extended coverage for workers who have lost their jobs and their health care in the economic downturn.
- **Supplemental Security Income:** 98,000 low income elderly and disabled individuals in Maryland will receive a one-time increase in their SSI checks of \$450 for individuals and \$600

for couples, for a total of \$55.9 million

- **Emergency shelter grant program:** Maryland would receive \$22.7 million for the emergency shelter program, which will assist approximately 3,400 families.

Helping Maryland Maintain Health Care and Education

The estimated fiscal relief to help Maryland maintain vital education and health care services is provided with a **\$1.4 billion increase in the Federal Medical Assistance Percentage (FMAP) for the State-administered Medicaid program** , and **\$1.164 billion in the State Stabilization Fund**

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Estimated totals for general fiscal relief, and funding for education, training, social service and justice programs is included in the table below.

All numbers are in millions

2009

2010

Total

State stabilization fund

\$582.05

\$582.05

\$1,164.1

FMAP

\$537.285

\$683.7

\$1.406 *

Title I

\$89.848

\$89.848

\$179.696

IDEA

\$107.215

\$122.959

\$230.174

Education technology grants

\$6.422

\$6.421

\$12.843

School modernization and repair

\$194.786

\$98.966

\$293.752

Head Start

\$3.949

\$3.949

\$7.897

Child Development Block Grant

\$12.02

\$12.02

\$24.04

Employment and Training

\$34.575

\$34.575

Community Service Block Grants

\$6.86

\$6.86

\$13.721

LIHEAP

\$15.609

\$15.609

Elderly nutrition services

\$1.782

\$1.782

\$3.563

Preventative health and

health services block grant

\$2.966

\$2.966

\$5.932

Byrne Justice Assistance Grants

\$27.02

\$37.276

\$62.349

Total with FMAP

\$1.606.78

\$1.664.1

\$3.454.2

*Includes \$185.5 million in Medicaid funding in FY2011 (the last quarter of calendar 2010)

Additional provisions in the package include block grants to help communities reeling from mounting foreclosures, funds for local law enforcement and investments in renewable energy development and energy-efficient technologies.

NOTE: State fiscal relief will be allotted through existing formulas and directed by the state to worthy and needed projects that are also long-term investments. The legislation contains no congressionally-directed projects. Where otherwise noted the estimates are from the House Appropriations Committee.

All of the numbers provided except for the FMAP numbers are based on the federal fiscal year which begins on October 1 as opposed to the state fiscal year, which begins in July. The timing of the funding will vary by program, so translating the numbers from the federal fiscal year to the state fiscal year will require additional work.

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